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C O N F I D E N T I A L JAKARTA 000211

SIPDIS

DEPT FOR NEA/IR, INR/EC, EEB/CIP/TS, EEB/ESC/TFS, EAP/MTS

E.O. 12958: DECL: 02/06/2019

TAGS: [ETTC](#) [ECPS](#) [IR](#) [ID](#)

SUBJECT: INDONESIAN TELKOM PURSUING DEAL WITH IRAN TELCOM
COMPANY

REF: JAKARTA 136

Classified By: Economic Counselor Peter Haas for reasons 1.4(b)
and (d)

¶1. (C) Indonesian company Telkom (PT Telekomunikasi, TLKM.JK) President Commissioner Tanri Abeng said that Telkom is pursuing a deal to purchase a stake in an Iranian telecommunications company. Abeng indicated that the Iran venture related to Telkom's mobile phone subsidiary Telkomsel and that Telkom was pursuing financing from within Indonesia only. He indicated that the deal was only in its earliest stages, but remarked that it could be a very lucrative deal for Telkom.

¶2. (C) Embassy warned Abeng of the complex web of business connections between legal and illegal business in Iran, and that it was impossible to know for certain which companies might be linked with Iran's nuclear program. Embassy also cited the Financial Action Task Force (FATF) warnings on dealing with Iranian banks and urged Abeng to take these factors into account before finalizing any deal.

¶3. (U) In a February 2 interview with Dow Jones Newswire, Telkom CFO Sudiro Asno said Telkom plans "to cooperate with an Iranian pension fund" to acquire a majority stake in an unnamed Iranian telecommunication company for \$500 million in the next six months.

¶4. (C) Tanri Abeng bio note: Abeng is a well-respected business leader with a wide range of contacts, from economic elite such as Aburizal Bakrie to reform-minded technocrats such as SOE Minister Sofyan Djalil. Abeng and Vice President Kalla are both from Sulawesi, attended the same university in Sulawesi, and continue to maintain personal and professional contact. Abeng was formerly CEO of the Bakrie Group. Abeng is a former SOE Minister and considers himself to be pro-market, reform-minded, and economically liberal. Abeng is also Indonesian co-chairman for the upcoming World Islamic Economic Forum held in Jakarta on March 2-3 (Ref A).
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